हो या तेलंगाना हो, आप छोटे राज्य के लिए वहां के लोगों की सहमति लीजिए। सर, हमारे यहां विदर्भ विकास बोर्ड बना है ...(व्यवधान)... इरिगेशन के लिए पैसा दिया और उस पैसे का यूज किया, लेकिन हमारी महाराष्ट्र गवर्नमेंट ने वह पैसा भी नहीं दिया। तो क्या आप विदर्भ में, तेलंगाना में वहां की जनता की राय लेने वाले हैं? ...(व्यवधान)...

श्री सभापति: यह विदर्भ की मांग नहीं, तेलंगाना की मांग से संबंधित है।

श्री दत्ता मेघे: सर, यह छोटे राज्य की मांग है। हमारे यहां विदर्भ बोर्ड कांस्टीट्यूशन में मिलने के बाद भी, महाराष्ट्र में उस का इम्प्लीमेंटेशन नहीं होता है। सर, आप मंत्री जी से पूछिए, यह बहुत महत्वपूर्ण है।

श्री सभापति: माननीय सदस्य आप बैठिए। आप एक काम करिए कि कैबिनेट में आप के महाराष्ट्र के जो मंत्री हैं, उन से लिखवा कर दे दीजिए।

श्री दत्ता मेघे: सर, इस के लिए हमारी पार्टी ने सपोर्ट किया है ...(व्यवधान)... शरद पवार जी हमारी पार्टी के हैं। ...(व्यवधान)... बी॰जे॰पी॰ का सपोर्ट है, इंदिरा कांग्रेस का सपोर्ट है। तो क्या आप इस के लिए लोगों का मत लेंगे?

श्री सभापति: आप बैठिए। अगला प्रश्न। Please take your seat ...*(Interruptions)*... I will not allow it ...*(Interruptions)*...Next Question. ...*(Interruptions)*... Shrimati Prema Cariappa.

Investments in Domestic Aviation Sector by PIOs and NRIs

*403. SHRIMATI PREMA CARIAPPA:†

SHRIMATI KAMLA MANHAR:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Department of Industrial Policy and Promotion (DIPP) have allowed Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs) to invest upto 100 per cent in domestic aviation sector;

(b) if so, the details thereof;

(c) whether Government have received some representations for non-implementation of above policy decision; and

(d) if so, the steps being taken to issue directive to concerned Ministries/ Departments and State Governments clarifying Government's stand on FDI by PIOs in aviation sector under FEMA?

The question was actually asked on the floor of the House by Shrimati Prema Cariappa.

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) and (b) Under the extant FDI policy, Persons of Indian Origin (PIO) are treated at par with Non-Resident Indians. Non Resident Indian investment upto 100% is allowed in domestic airlines. However, the Aircraft Rules, 1937 stipulate that a Scheduled or Non-Scheduled Air Transport Operator's Permit can be granted only to a citizen of India or a company/body corporate, provided, *inter alia*, that its substantial ownership and effective control is vested in Indian nationals. Hence Persons of Indian Origin, who are not Indian citizens, cannot be permitted to operate air transport services.

(c) No, Sir.

(d) Does not arise.

SHRIMATI PREMA CARIAPPA: I have gone through the reply given by the hon. Minister. There are visible contradictions in the FDI policy and the Aircraft Rules, 1937 because both are opposite to each other. While under the FDI policy PIOs are treated at par with NRIs and are allowed cent per cent investment in domestic airlines, the Aircraft Rules permit it only to the citizens of India. I want to know how the Government proposes to rectify this contradiction so that FDI is attracted in domestic airlines sector.

SHRI KAMAL NATH: Sir, I have not answered parts (a) and (b) of the question because the hon. Member without listening to my answer has put a supplementary. Nonetheless, Sir...(*Interruptions*)...

MR. CHAIRMAN: Reply to the question is attached ...(*Interruptions*)...

SHRI KAMAL NATH: But nonetheless she should have waited. Anyway, Sir, the FDI policy permits 100 per cent investment and PIOs are treated at par with NRIs. However, under the Aircraft Rules of 1937, which are very clear, say that a Scheduled/Non-scheduled air transport operator's permit can be granted only to a citizen of India or to a company/body corporate provided *inter alia* that substantial and effective control is vested in Indian nationals. So, while the FDI policy includes NRIs and PIOs in one category, the Aircraft Rules in the case of civil aviation have provided this clause. So, it is for the Ministry of Civil Aviation to take this up how they would like to rectify the Aircraft Rules. I am informed that they are taking some steps in this direction.

SHRIMATI PREMA CARIAPPA: Sir, my second supplementary is whether the Government has received proposals of FDI in civil aviation sector from persons of Indian origin or NRIs in the recent past. If so, what are the details of such proposals and what action has the Government taken in regard to these proposals?

SHRI KAMAL NATH: Sir, there has been a proposal from Magic Airlines — it is called Magic Airlines — which has been promoted by Mrs. Neera Radia, a British passport holder who resides in India and who claims to be a PIO. The Ajrlines had sought a clarification whether such an investment — who is a PIO in Magic Airlines — would qualify as an investment by NRI and 100 per cent investment through automatic routes would be permissible. Sir while DiPP, Department of Industrial Policy and Promotion has said that the provisions of FDI policy allow it. However, we must note that this is the aviation sector and they have to be governed by the other civil aviation requirements under this. So, as I said earlier, the civil aviation requirements do not permit PIO in this category.

श्री सभापति: श्रीमती कमला मनहर।

श्रीमती कमला मनहर: सभापति महोदय, मैं आपके माध्यम से माननीय मंत्री जी से यह पूछना चाहती हूँ कि जब एफ०डी०आई० में भारतीय मूल के व्यक्तियों और अनिवासी भारतीयों को समान माना जाता है तथा अनिवासी भारतीय घरेलू एयर लाईन में 100 प्रतिशत तक निवेश कर सकते हैं, तो उनको अनुसूचित या गैर अनुसूचित वायु परिवहन की परमिट क्यों नहीं दी जाती? इस प्रकार कोई एन०आर०आई० और पी०आई०ओ० इसमें निवेश करे, क्या सरकार इसके लिए एयरक्राफ्ट रूल में संशोधन करने का विचार रखती है, ताकि एन०आर०आई० और पी०आई०ओ० को वायु संचालन में परमिट मिल सके?

श्री कमल नाथ: सर, यह बात तो सच है कि जहाँ तक एयर क्राफ्ट के अन्य रूल्स हैं और सिविल एविएशन रिक्वायरमेंट्स हैं, उनमें एक शर्त है कि इसमें पी०आईओ० को एन०आर०आई० नहीं माना जाएगा। इसके लिए मिनिस्ट्री ऑफ सिविल एविएशन इस पर विचार कर रही है। जहाँ तक एन०आर०आई० के निवेश का प्रश्न है, तो बहुत सारे अन्य क्षेत्र हैं, जहाँ एन०आर०आई० निवेश कर सकते हैं, परन्तु जहाँ तक सिविल एविएशन की बात है, तो सिविल एविएशन मंत्रालन इस पर विचार कर रही है और इस पर जो कदम उठाने हैं, वह उठाएगी।

SHRI LALIT SURI: Sir, I would like to ask the hon. Minister, which he has just explained, the difference between a NRI and a PIO with a new

policy, the back door entry by a PIO. If he becomes and has a dual citizenship, what is the Government's policy on that particular PIO who has a dual citizenship?

SHRI KAMAL NATH: Sir, a PIO will remain a PIO. It does not take away his identity as a PIO. In his capacity as a PIO, hon. Home Minister will be able to separately explain this. A PIO who comes into the domain of dual citizenship would have to be dealt with as per the provisions of the law which will be brought in for dual citizenship. But there is no difference in FDI for NRIs and PIO. The only difference arises in the case of civil aviation sector because there are other rules and regulations which govern that.

SHRI JAIRAM RAMESH: Sir, I would like to ask the hon. Minister why is it that only in civil aviation we have this peculiarity that foreign airlines with expertise in airline management are not allowed to invest as FDI investors. Why call it FDI investors?

SHRI KAMAL NATH: Forty-nine per cent is allowed. It is not that they are not allowed to invest. The Civil Aviation Minister, I suppose should answer this. But Indian domestic airlines have grown and it is to ensure their consolidation in the Indian market that they have not been given 100 per cent FDI but 49 per cent FDI is allowed. Saying that no FDI is allowed is not correct.

NTC mills in Andhra Pradesh

*404. SHRI GIREESH KUMAR SANGHI:
SHRIMATI VANGA GEETHA:†

Will the Minister of TEXTILES be pleased to state:

(a) the number of National Textile Corporation (NTC) Mills located in Andhra Pradesh;

(b) the profits and losses of these mills during the last three years; and

(c) whether any NTC mills have been referred to BIFR during the last three years?

†The question was actually asked on the floor of the House by Shrimati Vanga Geetha.